



# Los Angeles County AUDIT COMMITTEE

Carl Gallucci, Chair  
4<sup>th</sup> District  
Louisa Ollague, Vice-Chair  
1<sup>st</sup> District  
Dorinne Jordan  
2<sup>nd</sup> District  
Genie Chough  
3<sup>rd</sup> District  
Lori Glasgow  
5<sup>th</sup> District

## MINUTES

November 19, 2009

Vice Chair Louisa Ollague called the meeting to order at 10:35 a.m. in Conference Room 525, Kenneth Hahn Hall of Administration.

### Committee Members Present

Carl Gallucci, Chair, Fourth District  
Louisa Ollague, Vice Chair, First District  
Dorinne Jordan, Second District  
Genie Chough, Third District  
Lori Glasgow, Fifth District

### APPROVAL OF OCTOBER 15, 2009 MINUTES

On motion of Genie Chough, seconded by Louisa Ollague and unanimously carried, the minutes of October 15, 2009 were approved with the following corrections:

On pages 1 and 6, use the name Jordan

On page 3, sixth bullet point, second sentence, "...Trust Funds that are *left unclaimed* can be....."

On page 6, second bullet point, second sentence, "...that CSS also address *ARRA* money.";

and ninth bullet, Ms. Oms was not present at the meeting.

### OLD BUSINESS

**On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee received and filed the following reports:**

- Department of Community and Senior Services – Fiscal Monitoring of Domestic Violence Program Service Providers for Fiscal Year 2006-07 (06/09/09)

Jackie Sakane, Community & Senior Services Department, reported that all of the outstanding debts reflected in the report have been reconciled.

- Department of Health Services – Review of Public Private Partnership Program Contract with Altamed Health Services, Inc. (06/25/09)
- Review of Board Policy No. 9.020 – Employee Accountability (08/18/09)

On page 3, last paragraph of this policy, Ms. Glasgow's edit reads, "The Director of Personnel will work with Department Heads, *in consultation with* ~~at the direction of~~ the Chief Executive Officer, to review...."

- Review of Board Policy 9.000 – LA County Stars! (Special Talents for Achieving Remarkable Service) County Employee Recognition Program (08/19/09)
- Los Angeles County Child Wellness Policy No. 3.116 (10/13/09)

Ms. Jordan's suggested edit in the first sentence, fifth paragraph, to state, "All County child care, group home and foster family agency contracts and *other contracts, services or programming provided to children...*"

Ms. Glasgow's revision in the last paragraph, second sentence to read, "Information regarding the importance of breastfeeding and use of breast milk for infants shall be made available ~~upon request through~~ *at* County health..."

- Review of Board Delegated Authority 20.050 - Replenish Cash Difference Fund (03/29/77)

Jim Schneiderman, Auditor-Controller, corrected the wording under the Policy heading, on the third line amended to read, "he/*she*."

- Review of Board Delegated Authority 20.090 - Approve Contracts (07/15/87)
- Review of Board Delegated Authority 20.120 - Review, Compromise or Settle Claims (04/23/85)
- The Resources Company's Evidence-Based Practices Training Status Report – 4/1/2009 to 6/30/2009 (08/14/09)
- H.S. Consortium of the East San Gabriel Valley (dba) LA Works Contract Review - A Community and Senior Services Workforce Investment Act Program Provider - Fiscal Year 2008-09 (08/20/09)
- Community and Senior Services - Fiscal Monitoring of Area Agency on Aging Program Service Providers for Fiscal Year 2007-08 (09/15/09)
- Fraud Hotline Status Report - January 1, 2009 through June 30, 2009 (09/17/09)

Guy Zelenski, Auditor-Controller, addressed the violation of confidentiality such as from the use of the LEADER system by County Employees. Ongoing efforts include conferring with employees, limit to system access for employees, and employees to re-sign acknowledging existing policy.

In response to Ms. Ollague's request for the most recent spread sheet, Judi Thomas, Auditor-Controller, offered to provide it to the Committee.

- Maravilla Foundation Contract Review - A Community and Senior Services Workforce Investment Act Program Provider - Fiscal Year 2008-09 (09/23/09)

**On motion of Louisa Ollague, seconded by Genie Chough and unanimously carried, the Committee continued the following items to its December 17, 2009 Audit Committee Meeting:**

- Proposed County Vehicle Policy – Revised (11/10/09)
- Reminder to Review Board Policy No. 9.110 Sunset Review Date (E Verify) (10/10/08)
- Proposed Policy on Retention of Contractor Employees for Security Service Contracts (08/28/09)
- Review of Board Delegated Authority 20.200 - Golf Greens Fees (06/23/98)

Jorge Badel, Parks and Recreation Department, reported that the actual percentage discount is 50% instead of 25% for promotions which may occur about twice a year. The Committee requested a copy of the revenues to review/determine its fiscal impact.

- Status on Common Subject Search for Investigations (10/06/09)
- Internal Services Department – Payroll/Personnel Review (10/08/09)
- REVISED - Los Angeles Gay and Lesbian Community Services Center Contracts Review – A Department of Public Health HIV/AIDS Care and Prevention Services Providers (10/9/09)

### **REPORTS TO BE RECEIVED AND FILED**

**On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee received and filed the following reports:**

- Internal Control Certification Program (ICCP) for Fiscal Year 2009-2010 (10/16/09)
- Treasurer's September 22, 2009 Cash Count (10/16/09)
- Review of the County Treasury Statement of Net Assets for the Quarters Ended September 30, 2008 and December 31, 2008 (10/19/09)
- Common Ground the Westside HIV Community Center Contract - A Department of Public Health HIV/AIDS Care and Prevention Services Provider - Follow-Up Review (10/28/09)

**On motion of Louisa Ollague, seconded by Genie Chough and unanimously carried, the Committee continued the following items to its December 17, 2009 Audit Committee Meeting:**

- Department of Public Works Proposition A Contract Amendment Cost Analysis (October 20, 2009 Board Agenda, Item 22) (10/16/2009)
- Jewish Vocational Service Contract Review - A Community and Senior Services Workforce Investment Act Program Provider - Fiscal Year 2008-09 (10/28/09)
- Status Report – Cost Analysis of Project 50 (Board Agenda Item S-2, May 26, 2009) (10/30/09)
- Southeast Area Social Services Funding Authority Contract Review - A Community and Senior Services Workforce Investment Act Program Provider - Fiscal Year 2008-09 (11/02/09)
- Fiscal Year 2009-2010 Audit Plan (11/13/09)

### **OTHER BUSINESS**

CSS' Quarterly Monitoring Reports - Jackie Sakane, Community & Senior Services Department, advised the Committee that Agenda items III a. and III o. now include prior close out figures that effectively resolve these two issues. An additional letter will be issued on all outstanding accounts, and if not resolved, the account will be forwarded to the Treasurer-Tax Collector for collection. In Fiscal Year 2007-08, notable improvements occurred due to the Cost Allocation Training for Federal regulation adherence by contractors, and the strict monitoring of monies. The State will provide on-site fiscal monitoring every other year for the Area Agency on Aging. Maria Oms, Auditor-Controller, will offer this information to DPSS and to the Domestic Violence Program Service Providers

for their review. Lori Glasgow requested that this document be reviewed by the DCFS Deputies' Cluster.

Pending Audits/Monitoring Reports – This remains as an open Agenda item.

Report of County Trust Funds – Vice Chair Ollague inquired as to how CEO analysts can be made aware of the Trust Funds and of pertinent auditor activity. John Naimo, Auditor Controller's Office, reported that there are clear policies directing Departments not to stash money in a Trust Fund; the trust fund should only be used for temporary purposes, and advised that there is no existing untapped reservoir of monies in these funds. Once a Trust Fund is active for a few years the Auditor does not have the ability to actively monitor it; reliance is placed on the Departmental processes and audit reviews for additional insight.

There are a few Trust Funds that have monies in the seven to eight figures, however, due to its complexity and how much is owed to what government entity/department, it may take years to resolve. Mr. Chadwick noted that he can work with the CEO's Office regarding the larger Trust Funds that may have some flexibility. Also, Mr. Naimo will invite the deputies to the next training session regarding the County's budget.

Cash Flow – In response to Vice Chair Ollague regarding how to find legislative relief to tap into Trust Funds, Mr. Naimo noted that his office would be receptive to working with the CEO on this issue. Looking ahead, the County cash flow looks good, however, two factors not assumed in the cash flow process are (1) If major revenue is not realized the Board of Supervisors need to know; and (2) State budget deficits may cause IOU's, and furloughs that could negatively impact the County. Also, cash flow is trending downwards but it is not at dangerous levels; program reductions will probably be looked at next year.

Sunset Reviews (discussion) – This item is pending further review.

ARRA WIA Summer Youth Program Monitoring – Don Chadwick reported that auditors have visited 120 sites and 17 contractors have been reviewed, and the most significant finding was the lack of documentation for a person's eligibility by contractors; Federal regulations strictly require this. Each contract had performance management language, and the program is basically summer work experience which ended September 30, 2009. A Report on this Audit will be forwarded to the Board of Supervisors.

## **CLOSED SESSION: GOVERNMENT CODE SECTION 54956.9**

The Committee recessed the meeting to Closed Session at 11:50 a.m. to discuss Third Party Liabilities.

The Committee reconvened the meeting from Closed Session at 12:09 p.m. Vice Chair Ollague advised that no reportable actions were taken in Closed Session.

## **PUBLIC COMMENT**

There was none.

**MATTERS NOT ON THE POSTED AGENDA (TO BE PRESENTED AND PLACED ON THE AGENDA OF A FUTURE MEETING)**

There was none.

**ADJOURNMENT**

There being no further business to conduct, the meeting was adjourned at 12:10 p.m.

Others in Attendance

Maria Oms, Auditor-Controller  
Judi Thomas, A-C  
Don Chadwick, A-C  
Jim Schneiderman, A-C  
John Naimo, A-C  
Yoon Bae, A-C  
Guy Zelenski, A-C  
Martin Zimmerman, Chief Executive Office  
Vincent Amerson, CEO  
Frank Cheng, CEO  
Brian Mahan, CEO

Robert Brief, Comm. & Senior Services  
Jackie Sakane, C&SS  
Margaret Quinn, C&S  
Amanda Drukker, County Counsel  
Marion Figueroa, Human Resources  
Chhaya Chhith, HR  
Epifanio Peinado, HR  
Sandra Sims, HR  
Lisa McClough, HR  
Jorge Badel, Parks and Recreation

Staff

Lee Millen, Board of Supervisors  
Nyla Jefferson, Board of Supervisors